

103^D CONGRESS
2^D SESSION

H. R. 3821

To promote construction and operation of passenger vessels in the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 1994

Mrs. UNSOELD (for herself, Mr. STUDDS, Mr. LIPINSKI, Mr. DICKS, Ms. CANTWELL, Ms. DUNN, Mr. KREIDLER, Mr. SWIFT, Mr. MANTON, Mr. BORSKI, Mr. HOYER, Mr. CUNNINGHAM, and Mr. JOHNSON of South Dakota) introduced the following bill; which was referred jointly to the Committees on Merchant Marine and Fisheries and Natural Resources

A BILL

To promote construction and operation of passenger vessels in the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States Pas-
5 senger Vessel Development Act”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to promote construction
8 and operation of United States flag passenger vessels in
9 the United States.

1 **SEC. 3. INTERIM COASTWISE PASSENGER TRADE ENDORSE-**
2 **MENT.**

3 (a) ENDORSEMENT AUTHORIZED.—Chapter 121 of
4 title 46, United States Code, is amended by inserting after
5 section 12112 the following new section:

6 **“§12113. Interim coastwise passenger trade endorse-**
7 **ment**

8 “(a) Before December 31, 2000, a certificate of docu-
9 mentation for a passenger vessel may be endorsed with
10 an interim coastwise passenger trade endorsement, if the
11 vessel is—

12 “(1) eligible for documentation under section
13 12102;

14 “(2) owned by, or demise chartered for at least
15 18 months to, a citizen of the United States for pur-
16 poses of issuing a certificate of documentation with
17 an interim coastwise passenger trade endorsement
18 under section 2(e) of the Shipping Act, 1916 (46
19 App. U.S.C. 802(e));

20 “(3) at least 250 gross tons (as measured
21 under chapter 143 of this title) and has at least 175
22 berths; and

23 “(4) not a ferry.

24 “(b) As a condition of issuing an interim coastwise
25 passenger trade endorsement for a vessel, the Secretary
26 shall require the owner or charterer of the vessel to enter

1 into one or more contracts for the construction in the
2 United States of one or more vessels having a total berth-
3 ing capacity that is at least 80 percent of the capacity
4 of the vessel for which the endorsement is issued.

5 “(c) A vessel with a certificate of documentation with
6 an interim coastwise passenger trade endorsement may be
7 employed in the coastwise trade in the carriage of pas-
8 sengers.

9 “(d) On termination of a demise charter required
10 under subsection (a)(2)(B) for a vessel, an interim coast-
11 wise passenger trade endorsement for the vessel may be
12 continued for a period not to exceed 6 months on any
13 terms and conditions that the Secretary of Transportation
14 may prescribe.

15 “(e)(1) An interim coastwise passenger trade en-
16 dorsement issued for a vessel under subsection (a) ex-
17 pires—

18 “(A) on the date that is 12 months after the
19 date of issuance of the endorsement, if the owner or
20 demise charter of the vessel fails to submit to the
21 Secretary before the end of that 12-month period a
22 letter that—

23 “(i) states the interest of the owner or de-
24 mise charter, respectively, and a representative
25 of a shipyard in the United States to enter into

1 a contract for the construction in the shipyard
2 of at least one passenger vessel that has a total
3 berthing capacity that is at least equivalent to
4 80 percent of the berthing capacity of the vessel
5 for which the endorsement is issued; and

6 “(ii) is signed by the owner or demise
7 charterer, respectively, and the representative;

8 “(B) on the date that is 24 months after the
9 date of issuance of the endorsement, if the owner or
10 demise charterer of the vessel does not enter into a
11 contract before the end of that 24-month period for
12 the construction in the United States of one or more
13 passenger vessels described in subparagraph (A)(i);

14 “(C) on the date that is 3 years after the date
15 of issuance of the endorsement, if construction of
16 such a vessel under the contract is not begun before
17 the end of that 3-year period; and

18 “(D) on the date that is 180 days after the
19 date of delivery of a vessel for which construction is
20 completed pursuant to the contract.

21 “(2) The Secretary may extend the period applicable
22 under paragraph (1)(B) or (C), or both, for not more than
23 6 months.

24 “(f) An interim coastwise passenger trade endorse-
25 ment for a vessel shall prohibit the operation of the vessel

1 in any trade that is served by another passenger vessel
2 of at least 250 gross tons and having at least 175 berths
3 that is documented under section 12106 of this title, un-
4 less the owner or charterer of the vessel so operated is
5 also the owner of the other vessel having the endorsement.

6 “(g) Except as provided in this section, section
7 2113(b) of this title, or section 2(e) or 9(e) of the Ship-
8 ping Act, 1916, a vessel with an interim coastwise pas-
9 senger trade endorsement shall comply with all require-
10 ments applicable to a comparable passenger vessel that is
11 otherwise documented under the laws of the United
12 States.”.

13 (b) CLERICAL AMENDMENT.—The table of sections
14 at the beginning of chapter 121 of title 46, United States
15 Code, is amended by inserting after the item relating to
16 section 12112 the following:

“12113. Interim coastwise trade endorsement.”.

17 (c) NOTICE TO SECRETARY OF REFLAGGING.—Sec-
18 tion 9 of the Shipping Act, 1916 (46 App. U.S.C. 808)
19 is amended—

20 (1) in subsection (c) by inserting “subsection
21 (e),” after “Except as provided in”; and

22 (2) by adding at the end the following:

23 “(e) Notwithstanding subsection (c), a person may
24 place under a foreign registry or operate under the author-
25 ity of a foreign country, without approval of the Secretary

1 of Transportation, any vessel with an interim coastwise
2 passenger trade endorsement under section 12113 of title
3 46, United States Code, if the person notifies the Sec-
4 retary of that action—

5 “(1) before the 60-day period ending on the
6 date that action is taken; and

7 “(2) within 12 months after—

8 “(A) the issuance of the interim coastwise
9 passenger trade endorsement, or

10 “(B) the beginning of construction of the
11 replacement vessels required for that issuance
12 under section 12113 of title 46, United States
13 Code.”.

14 **SEC. 4. SOLAS CONSTRUCTION STANDARDS.**

15 Section 2113 of title 46, United States Code, is
16 amended—

17 (1) by inserting “(a)” before “If”; and

18 (2) by adding at the end the following new sub-
19 section:

20 “(b) A documented vessel with an interim coastwise
21 passenger trade endorsement—

22 “(1) is deemed to comply with parts B, C, and
23 J of this title if the vessel meets the standards for
24 passenger vessel construction for safety of life at sea
25 issued under the International Maritime Organiza-

1 tion convention to which the United States is a
2 party; and

3 “(2) shall be issued by the Secretary the appro-
4 prium inspection, load line, and tonnage certificates
5 if that vessel meets those standards.”.

6 **SEC. 5. CITIZENSHIP FOR PURPOSES OF DOCUMENTATION.**

7 Section 2 of the Shipping Act, 1916 (46 App. U.S.C.
8 802), is amended by adding at the end the following:

9 “(e) For purposes of issuing a certificate of docu-
10 mentation with an interim coastwise passenger trade en-
11 dorsement or a coastwise endorsement for transporting
12 passengers in the coastwise trade under chapter 121 of
13 title 46, United States Code, the controlling interest in
14 a corporation is deemed to be owned or demise chartered
15 by citizens of the United States if at least 51 percent of
16 its stock is vested in citizens of the United States free
17 from any trust or fiduciary obligation in favor of any per-
18 son not a citizen of the United States.”.

19 **SEC. 6. AMENDMENT TO TITLE XI OF THE MERCHANT MA-**
20 **RINE ACT, 1936.**

21 Section 1101(b) of the Merchant Marine Act, 1936
22 (46 App. U.S.C. 1271(b)) is amended by striking “pas-
23 senger cargo” and inserting “passenger, cargo,”.

1 **SEC. 7. PERMITS FOR VESSELS ENTERING UNITS OF NA-**
2 **TIONAL PARK SYSTEM.**

3 (a) **PRIORITY.**—Notwithstanding any other provision
4 of law, the Secretary of Commerce may not permit a per-
5 son to operate a vessel in any unit of the National Park
6 System except in accordance with the following priority:

7 (1) First, any person that will operate a vessel
8 that is documented under the laws of, and the home
9 port of which is located in, the United States.

10 (2) Second, any person that will operate a ves-
11 sel—

12 (A) that is documented under the laws of
13 a foreign country, and

14 (B) which on the date of the enactment of
15 this Act is permitted to be so operated.

16 (3) Third, any person that will operate a vessel
17 other than a vessel described in paragraph (1) or
18 (2).

19 (b) **REVOCATION OF PERMITS FOR FOREIGN-DOCU-**
20 **MENTED VESSELS.**—The Secretary of Commerce shall re-
21 voke permission granted by the Secretary for the operation
22 of a vessel documented under the laws of a foreign country
23 in a unit of the National Park System, if—

24 (1) a person requests permission to operate a
25 vessel documented under the laws of the United
26 States in that unit;

- 1 (2) the permission may not be granted because
- 2 of a limit on the number of permits that may be is-
- 3 sued for that operation.

○